

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Richmond Division**

In re:)	Chapter 11
)	
CIRCUIT CITY STORES, INC., <i>et al.</i>,)	No. 08-35653-KRH
)	
Debtors.)	Jointly Administered

**RESPONSE OF LG ELECTRONICS USA, INC. (CLAIM NUMBERS 1261 AND 13233)
TO DEBTORS' OBJECTION TO CERTAIN GENERAL UNSECURED CLAIMS FOR
VOTING PURPOSES ONLY AND WITHDRAWAL OF CLAIM NUMBER 14211**

LG ELECTRONICS USA, INC. ("LG"), by counsel, WILEY REIN LLP, H. Jason Gold and Dylan G. Trache files this response to the above-captioned debtors' ("Debtors" or "Circuit City") Objection to Certain General Unsecured Claims for Voting Purposes Only ("Voting Objection"); stating to the Court as follows:

1. On November 10, 2008 ("Petition Date"), Circuit City filed a voluntary petition under chapter 11 of the Bankruptcy Code.
2. LG timely filed several claims of various priority, as follows:

<u>Date</u>	<u>Claim Number</u>	<u>Claim Amount</u>	<u>Priority</u>
12/18/08	1261	\$20,599,070.25	Administrative Claim Under Section 503(b)(9) ("503(b)(9) Claim")
1/29/09	8357	\$208,637.10	General Unsecured Claim ("Expense Claim")
1/29/09	9623	\$42,315,217.97	General Unsecured Claim ("General Unsecured Claim")
6/1/09	13233	\$41,478,011.85	General Unsecured Claim – Amended Claim 9623 ("Amended General Unsecured Claim")
6/30/09	14211	\$38,943,015.44	Administrative Claim based upon Reclamation Demand ("Reclamation Claim")

3. On or about June 23, 2009, the Debtors filed their Twentieth Omnibus Objection to claims, which included an objection to LG's 503(b)(9) Claim, seeking to reduce the amount of that claim to \$5,397,977 and recharacterize the balance as a general unsecured claim. LG did not

oppose the reduction, and on August 22, 2009, the Court entered an Order sustaining the Twentieth Omnibus Objection. Pursuant to this Order, the 503(b)(9) Claim was reduced to \$5,397,977 and the remaining \$15,201,093.25 of that claim was recharacterized as a general unsecured claim.

4. Subsequently, the Debtors filed their Thirty-Third, Thirty-Fourth and Thirty-Fifth Omnibus Objections. LG's Reclamation Claim was among the claims subject to the Thirty-Third Omnibus Objection, and the Debtors sought to recharacterize that claim as a general unsecured claim. LG did not oppose the Thirty-Third Omnibus Objection.

5. The Thirty-Fourth Omnibus Objection included LG's Amended General Unsecured Claim, and sought to reduce the same to \$20,878,941.60, consistent with the disposition of the 503(b)(9) Claim. LG did oppose the Thirty-Fourth Omnibus Objection.

6. The Thirty-Fifth Omnibus Objection included LG's General Unsecured Claim, and sought to eliminate that claim as having been amended by the Amended General Unsecured Claim. LG did not oppose this objection as the claim had in fact been amended.

7. Accordingly, following these objections, LG holds the following claims:

a. A § 503(b)(9) administrative claim in the amount of \$5,397,977. LG's 503(b)(9) claim is not subject to the Voting Objection.

b. A general unsecured claim ("Modified General Unsecured Claim") in the amount of \$36,080,034.85 based upon the Twentieth and Thirty-Fourth Omnibus Objections.

c. The Expense Claim in the amount of \$208,637.10.

d. A general unsecured claim in the amount of \$38,943,015.44, based upon the Reclamation Claim and the Thirty-Third Omnibus Objection. This claim is duplicative of the Modified General Unsecured Claim and the 503(b)(9) Claim.

8. On September 22, 2009, the Debtors filed the Voting Objection.

9. On October 5, 2009, LG received ballots with respect to the Expense Claim and the Reclamation Claim (now recharacterized as a general unsecured claim). No ballot was received on account of the Modified General Unsecured Claim.

10. LG and the Debtors have resolved the issues raised in the Voting Objection as follows:

- a. The following claim numbers will be removed from the Voting Objection (Docket # 5022):
 - i. Claim No. 13233 - \$20,878,941.60 (as reduced and to be ordered by the Thirty-Fourth Omnibus Objection - order pending).
 - ii. Claim No. 1261- \$15,201,093.25 (as previously ordered to carve out 503(b)(9) Claim)
- b. LG will be authorized to vote its general unsecured claims in the total amount: \$36,080,034.85.
- c. Claim No. 14211 - \$38,080,034.85 (the Reclamation Claim) will be withdrawn by LG from the claims registry and will be added to the exhibit to the Voting Objection.
- d. The ballot LG received for Claim No. 14211 will be modified by LG prior to voting to reduce the amount to \$36,080,034.85 to reflect the current pending amount of the combination of Claim Nos. 13233 and 1261 as ordered in the Thirty-Fourth Omnibus Objection to eliminate the overlap in the as filed amounts.

11. As a result of and conditioned upon the aforementioned agreement, LG hereby withdraws claim number 14211 without prejudice to LG's remaining claims, including, without limitation, its 503(b)(9) Claim.

WHEREFORE, based upon the foregoing, LG respectfully requests that the Court: (i) authorize LG and the Debtors to resolve the Voting Objection as set forth herein; (ii) allow LG's Modified General Unsecured Claim in the amount of \$36,080,034.85 for voting purposes; (iii) authorize the withdrawal of Claim Number 14211 without prejudice to LG's remaining claims and (iv) grant such other and further relief as is just and proper.

Respectfully submitted,

LG ELECTRONICS USA, INC.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on October 26, 2009, the foregoing Response was sent by email and first class mail, postage prepaid, to:

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